

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
----- 026776

R 251230Z JAN 76  
FM AMEMBASSY TEHRAN  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 5275

UNCLAS TEHRAN 00728  
USDOC FOR CAGNE

E.O. 11652: N/A  
TAGS: BEXP,IR  
SUBJECT: RENEWAL OF LEASE FOR U.S. TRADE CENTER

REF: 75 USDOC 19154, 75 USDOC 19185

1. BASED AUTHORITY IN USDOC 19154, EMBASSY'S CONTRACTING OFFICER PREPARED NOTICE INTENT RENEW LEASE FOR TRADE CENTER SITE FOR 3-YEAR PERIOD AT CURRENT TERMS. THIS DELIVERED WITH COVERING LETTER TO DR. ATAOLLAH EHRARI BY TC'S ACTING DIRECTOR (AD) ON JANUARY 5.

2. EHRARI EXPLAINED NOT IN POSITION REPLY, SINCE NOW ONLY ONE-THIRD OWNER, AND REPLY MUST COME FROM SASSANIAN MEDICAL CO. WHICH NOW CORPORATE OWNER. AD REPLIED THAT NOTICE INTENT TO RENEW WAS TO EHRARI AS LESSOR OF RECORD, SINCE CONTRACT NEVER AMENDED TO REFLECT CHANGE IN OWNERSHIP. EHRARI SAID WOULD CONTACT OTHER PARTNERS, BUT FELT THEY WOULD REPLY FORMALLY THAT OWNERSHIP HAD CHANGED AND WOULD WISH DISCUSS THE WHOLE SITUATION. THIS WAS EXPECTED.

3. WHEN BY 14 JAN. OWNERS HAD NOT CONTACTED EMBASSY OR TC, SUSPICION GREW THAT OWNERS MIGHT TRY TO DALAY UNTIL AFTER 30 JAN. DEADLINE FOR OFFICIAL NOTICE OF RENEWAL. THEREFORE, THEY WERE INVITED TO MEETING AT EMBASSY.

4. NEW OWNERS ADMITTED FAILED SEND PROPER LEGAL NOTICE CHANGE OF OWNERSHIP; PROMISED TO DO SO IMMEDIATELY.

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5. NEW OWNERS SAID RECOGNIZED PROPERTY INCUMBERED BY LEASE WHEN BOUGHT SHARES. ALSO RECOGNIZED OUR RIGHT OF OPTION. HOWEVER, THEY BELIEVED UNDER IRANIAN LAW THEY COULD REFUSE ACCEPT EXERCISE OF OPTION SINCE THEY NEED THE SPACE FOR THEIR OWN USE. THEY PREFER NOT BECOME INVOLVED IN LITIGATION BUT HOPED USG WOULD RECOGNIZE NEED FOR TC SPACE TO USE AS EMERGENCY RECEIVING AREA AND WOULD HELP FIND WAY OF SOLVING PROBLEM.

6. EMBASSY REPLIED NEW OWNERS HAVE RIGHT TO REQUEST RELEASE FROM OPTION THROUGH THE COURTS WHICH MUST DECIDE CASE ON ITS MERITS. TO MOVE A TENANT OUT OF PROPERTY AT THIS TIME IS EXTREMELY DIFFICULT IN IRAN. EMBASSY AGREED IT PREFERABLE TO AVOID LITIGATION. ADVICE OF COUNSEL IS USG WOULD WIN IN CURTS; INFORMAL ADVICE OF PROTOCOL OFFICE OF FOREIGN MINISTRY IS USG WOULD NOT BE PUT OUT. ANY SUIT WOULD HAVE TO BE SENT THROUGH FOREIGN MINISTRY, WITH LITTLE CHANCE OF SUCCESS.

7. IN REPLY TO QUESTIONING, OWNERS SAID THEY HAD CONSIDERED OFFERING FIND EQUIVALENT QUARTERS FOR TC, BUT AFTER STUDY OF ISSUE, DECIDED IMPOSSIBLE TO DO AND COULD NOT DEVOTE TIME AND ENERGY TO SUCH A TASK. EMBASSY REPLIED OBVIOUSLY IT WOULD FIND TASK JUST AS DIFFICULT.

8. US SIDE MENTIONED THAT OWNERS WOULD HAVE TO COVER ALL COSTS OF MOVE AS WELL AS FIXTURES. REPRESENTATIVES OF CHARTER MEDICAL AGREED THEY SHOULD HELP DEFRAY SOME EXPENSES, BUT FELT USG SHOULD SHARE BURDEN.

9. DR. EGHARI ORIGINAL LESSOR AND NOW MANAGING DIRECTOR SASSANIAN MEDICAL (NEW OWNER OF RECORD) OFFERED PAY CONSTRUCTION EQUIVALENT BUILDING SPACE IF USG WILLING BUILD ON EMBASSY COMPOUND OR ELSEWHERE. HE MENTIONED FIGURE 500,000 RLS (ROUGHLY \$70,000) BUT THAT APPEARED MORE DEMONSTRATIVE THAN SPECIFIC. EMBASSY BELIEVES HE IS SERIOUS IN OFFER IN THAT RANGE OR EVEN SOMEWHAT HIGHER. EMBASSY THANKED HIM FOR IMAGINATIVE APPROACH TO PROBLEM AND PROMISED FORWARD OFFER ALONG WITH OTHER SUGGESTIONS TO WASHINGTON BUT WARNED HIM THERE MIGHT BE DIFFICULTIES IN ACCEPTING SUCH OFFER.

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10. EMBASSY EXPLAINED THAT IT WAS ACTING ONLY AS AGENT SEC. OF COM. AND WOULD REPORT TO WASHINGTON FOR EVENTUAL DECISION BY USDOC, BUT IN MEANTIME REITERATED WILL EXERCISE OPTION WHILE AGREEING TO LOOK FOR SOLUTION OF PROBLEM. SASSANIAN MEDICAL SAID IT DID NOT WANT INCREASE IN RENT FROM CURRENT TERMS EVEN THOUGH INCREASES UP TO 15 PERCENT ALLOWED. APPEARS THEY FEEL ASKING INCREASE IMPLIES SOME ACCEPTANCE OF EXERCISE OF OPTION. AS RESULT USDOC WILL NOT

NAVE TO INCREASE RENT PAYMENT FOR NEXT 3 YEARS IF TC REMAINS IN  
BUILDING

11. EMBASSY IS FORWARDING OFFICIAL NOTICE INTENT RENEW LEASE  
BY METHOD REQUIRED UNDER IRANIAN LAW.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Review Content Flags:**  
**Review Date:** 22 JUN 2004  
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